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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE
COMMISSION HELD IN ITS OFFICES ON SEPTEMBER 14, 2010

Commission Chairman Orjiakor N. Isiogu called the meeting to order at 3:00 p.m.
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: Orjiakor N. Isiogu, Chairman
Monica Martinez, Commissioner
Greg R. White, Commissioner

Staff: Blair Renfro
Judy Palnau
Mary Jo Kunkle
Catherine Bowers
Ryan McAnany

Public: Rich VanderVeen, Wind Resource Gratiot Wind
Suzy Denison, MEGA
Kwafo Adarkwa, ITC Holdings
Jerry Crandall, MIRS
Lisa Gustafson, Consumers Energy
Tim Hoffman, Consumers Energy
Jim Padgett, DTE Energy
Don Schurr, Greater Gratiot Dev.
Beverly Roberts, Consumers Energy
Bruce Barget, Wind Resource

- I.** Commissioner Martinez moved to approve today's agenda, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The agenda was approved.

- II.** Commissioner Martinez moved to approve the minutes of the Regular Commission Meeting of August 30, 2010, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-13227 AT&T MICHIGAN, AND VERIZON WIRELESS AND VERIZON WIRELESS (VAW) LLC
(interconnection agreement)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which requests Commission approval of an interconnection agreement amendment. The order before you approves the request, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

2. U-16182 CABLEMAX COMMUNICATIONS
(show cause)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which the Commission initiated to provide CableMax Communications an opportunity to show cause why it should not be found in violation of several provisions of the Uniform Video Services Local Franchise Act. The order before you finds CableMax responsible for 30 violations of the Act and imposes appropriate sanctions, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

3. U-16282 LYNX NETWORK GROUP, LLC
(permanent license)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which is an application for a license to provide basic local exchange service. The order before you grants the license, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

4. U-16393 U.S. METROTEL, LLC, d/b/a S7 DIGITAL COMMUNICATIONS
(temporary license)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which is an application for a temporary license to provide basic local exchange service. The order before you grants the temporary license, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

5. MINUTE ACTION AT&T MICHIGAN
(wireless emergency service costs – Case No. U-14000)

Commissioner Martinez moved that the Commission adopt and issue minute dated September 14, 2010 finding that the attached AT&T Michigan invoice No. 517 R41-0001 067 9 for the period of March 1, 2010 to May 31, 2010, is for wireless emergency service costs recoverable under 2007 PA 165, MCL 484.1408(4)(b). The Commission approves the attached invoice in the amount of \$130,237.44 for reimbursement by the Michigan Department of Treasury, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The minute was adopted.

6. MINUTE ACTION ELIGIBLE TELECOMMUNICATIONS CARRIERS
(Case No. U-16252)

Commissioner Martinez moved that the Commission adopt and issue minute dated September 14, 2010 designating the following carriers as eligible telecommunications carriers (ETCs) for the purpose of receiving federal universal service funds to be expended in 2011, consistent with the Federal Communications Commission order in CC Docket No. 96-45, and the rate comparability review criteria set forth in 47 CFR 54.313 and 54.314. Further, each exchange is designated as a service area for this purpose. The certification granted in this minute action is conditioned upon the Commission's

reservation of its right to audit all expenditures of these universal service funds, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The minute was adopted.

B. ELECTRIC

1. U-13129 COMMISSION’S OWN MOTION
(low-income energy affordability demonstration project)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application by The Detroit Edison Company and Michigan Consolidated Gas Company for approval of their Low-Income Energy Affordability Demonstration Project tariffs. The order before you approves the tariffs, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

2. U-15667-R MIDWEST ENERGY COOPERATIVE
(’09 PSCR reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application by Midwest Energy Cooperative for a power supply cost recovery reconciliation proceeding and a times interest earned ratio ratemaking mechanism review – both for the 12-month period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

3. U-15669-R THUMB ELECTRIC COOPERATIVE
(’09 PSCR reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application filed by Thumb Electric Cooperative for a power supply cost recovery reconciliation proceeding, a times interest earned ratio ratemaking mechanism review – both for the 12-month period ended December 31, 2009, and approval of an annual code of conduct report. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

4. U-15672-R PRESQUE ISLE ELECTRIC AND GAS CO-OP
(’09 PSCR reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application by Presque Isle Electric & Gas Co-op for a power supply cost recovery reconciliation and for a times interest earned ratio ratemaking mechanism review- both for the 12-month period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

5. U-15806 THE DETROIT EDISON COMPANY
(contract approval)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application by The Detroit Edison Company for *ex parte* approval of a long-term power purchase agreement, a build transfer agreement, a shared facilities agreement, and letter agreement with Gratiot County Wind

LLC. The order before you approves the agreements as in compliance with 2008 PA 295, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

6. U-15885 UNION CITY ELECTRIC DEPARTMENT
U-15886 CITY OF WAKEFIELD
(extensions of filing deadlines)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves motions for extensions of time filed by Union City Electric Department and the City of Wakefield, respectively, to file required energy optimization plan reports. The order before you grants the requested extensions of time to 5:00 p.m. on September 21, 2010, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

7. U-15964 COMMISSION’S OWN MOTION
(mergers and acquisitions rulemaking)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves the promulgation of rules governing the application process and standards for Commission approval of a merger, acquisition, or transfer of control of a jurisdictional regulated utility. The order before you approves the revised rules for submission to the Legislative Service Bureau and the State Office of Administrative Hearings and Rules for their formal approvals, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

8. U-16276 THE DETROIT EDISON COMPANY
(dynamic peak pricing pilot)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application by The Detroit Edison Company for approval of its experimental dynamic peak pricing tariff. The order before you approves the tariff, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

9. U-16446 CONSUMERS ENERGY COMPANY
(experimental electric vehicle tariff)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application by Consumers Energy Company for approval of its experimental electric vehicle tariff. The order before you approves the tariff, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

10. U-16462 COMMISSION’S OWN MOTION
(storm investigation)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which commences an investigation into the response of The Detroit Edison Company to recent windstorm damage in the City of Detroit, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

C. GAS

1. U-15643 EVERGREEN PRESERVATION GROUP, LLC
(pipeline application dismissal)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application filed by Evergreen Preservation Group, LLC, for authority to construct, own, and operate a natural gas pipeline. The order before you dismisses the application without prejudice, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

2. U-16145 MICHIGAN GAS UTILITIES CORPORATION
(’11 GCR plan)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application by Michigan Gas Utilities Corporation for approval of a gas cost recovery plan and factors for the 12-month period ending March 31, 2011. The order before you approves a partial settlement agreement and authorizes the company to implement a base GCR factor of \$7.4350 per thousand cubic feet, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

3. U-16147 SEMCO ENERGY GAS COMPANY
(’10-’11 GCR plan)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application filed by SEMCO Energy Gas Company for approval of a gas cost recovery plan and factors for the 12-month period ending March 31, 2011 for its M.P.S.C. Division. The order before you approves a settlement agreement and authorizes SEMCO Energy Gas Company to implement a base gas cost recovery factor of \$6.6377 per thousand cubic feet, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

4. U-16403 HUDSON PIPELINE & PROCESSING CO., LLC
(Act 9 pipeline)

Commissioner Martinez moved that the Commission adopt and issue order dated September 14, 2010 which involves an application filed by Hudson Pipeline & Processing Co., LLC, for authority to construct and operate the addition to the Ironwood Pipeline in Otsego County. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

Chairman Isiogu announced that the next regularly scheduled Commission Meeting will be held on September 28, 2010.

Commissioner Martinez moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The motion was approved.

The meeting adjourned at 3:17 p.m.

Mary Jo Kunkle
Executive Secretary